GOVERNMENT OF INDIA
PLANNING
LOK SABHA

UNSTARRED QUESTION NO:4802
ANSWERED ON:20.12.2000
AGRICULTURAL CREDIT
AMBATI BRAHMANAIAH

Will the Minister of PLANNING be pleased to state:

(a) whether the Planning Commission has constituted a panel on Agricultural credit;

(b) if so, the objectives of this panel;

(c) whether this panel is supposed to formulate appropriate strategies for the Tenth Plan in the field of agricultural credit, cooperatives and crop insurance;

(d) whether the terms of reference been finalised; and

(e) if so, the details thereof?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE DEPARTMENT OF DISINVESTMNET, MINISTER OF STATE IN TH MINISTRIES OF PLANNING, STATISTICS & PROGRAMME IMPLEMENTATION AND MINSTER OF STATE IN THE DEPARTMENT OF ADMINISTRATIVE REFORMS & PUBLIC GRIEVANCES (SHRI ARUN SHOURIE)

(a), (b), (c) & (d): Yes, Sir. Planning Commission has constituted a Working Groupon Agricultural Credit, Cooperation and Crop Insurance for the Tenth Plan with the objective to review the flow of credit to agriculture sector, development of cooperatives & status of Crop Insurance and suggest strategies for the Tenth Plan.

(e): The terms of reference for the Working Group are enclosed.

Terms of Reference of the Working Group on Agricultural Credit, Cooperation and Crop Insurance :

I. AGRICULTURAL CREDIT : -

1. To review the flow of credit to agricultural sector during the 10th Plan, identity of the factors affecting the growth of agricultural credit and suggest strategies for accelerating the flow of credit to meet the investment requirements of the farming community.

2. To review the credit needs of the weaker sections of the farming community, particularly small and marginal farmers, scheduled tribe and scheduled caste farmers, identify the problems and constraints in the flow of credit to these categories of farmers and suggest measures for easy availability of credit to them for agricultural production and other agricultural activities.

3. To assess the short term and long term credit requirement for agricultural production and work out target for 10th plan.

4. To review the magnitude of agricultural indebtedness and also status of overdues/ financial health of PACs (Primary Agricultural Credit Societies) and LandDevelopment Banks, identify the factors affecting financial health and efficiency of Cooperative Credit Societies and suggest measures and institutional framework for making the Cooperative Credit Societies more efficient, competitive and cost effective in the wake of liberalisation of banking sector.

5. To study the short term and long term impacts of economic reforms on cooperative credit structure.

6. To make a study of revamping/strengthening of Cooperative Credit Structures so as to meet the investment requirements for accelerating the growth of agriculture sector.

7. To review the present status of agricultural credit in the North-Eastern States, identifythe constraints/bottlenecks in the flow of agricultural credit to the farmers of this region and suggest concrete measures for encouraging greater flow of bank credit for agricultural production and other agricultural activities in the Region.

8. To critically review the performance of the on-going schemes of the Department of A&C, RBI, NABARD and Department o Banking (M/o Finance) and suggest any modifications/discontinuation or any new schemes to be taken up to meet the desired goal.

II. COOPERATION : -

9. To review the status of Cooperative Movement and its role in the economic development of the country in general and in the agricultural economy of the country, in particular identify weaknesses of Cooperative Movement and Cooperative Movement to meet the desired goal.

10. To make a special study of the role of the cooperatives and challenges to be met in the wake of globalisation of Indian economy and also the issues relating to competitive efficiency of the cooperatives, constraints and remedial measures for improving the commercial and economic viability of the cooperatives with regard to modernisation, diversification, technology upgradation, quality improvement, marketability and export promotion, etc.

11. Formulate suitable programmes and schemes for the 10th plan indicating policies, objectives, strategy targets, programmes for development of cooperatives with due regard to the self-reliance, export promotion, removal of regional imbalances, reduction in rural poverty, generation of more employment opportunities and improvement in socio-economic conditions of the weaker section of the rural community.

12. To study the regional disparity in the development of Cooperatives, identify the factors inhibiting the development of cooperatives in the States and suggest suitable programmes for encouraging cooperatives in the cooperatively under- developed States.

13. To suggest measures for Human Resource Development in the Cooperatives.

14. To review the role and functioning of consumer cooperatives and suggest suitable measures for their improvement.

1Il. INSURANCE

15. To review the present status of the National Agricultural Insurance Scheme (modified Comprehensive Crop Insurance Scheme) and suggest measure for making the scheme more cost effective and beneficial to the farming community.